

Remarks of
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to the

NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE
SPRING TRANSPORTATION FORUM
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INTRODUCTION

- I want to thank you for the opportunity to speak here today.
- It's a pleasure to be here and to speak after Secretary Mineta. The Secretary spelled out the President's agenda and our priorities, specifically for improving freight transportation and boosting our nation's economy.
- I'd like to build on Secretary Mineta's remarks and talk more specifically about the trucking sector.

SAFETY GOAL

- Safety is our primary goal at FMCSA, and safety is the top transportation priority of this Administration.
- We are not willing to accept what has become far too commonplace — death on our nation's highways.
- In 2002 we lost nearly 43,000 people on our nation's highways. That's about the equivalent of a Boeing 737 a day.
- Of that 43,000, nearly 5,000 deaths were related to commercial motor vehicles, and those are the ones that FMCSA specifically focuses on.
- FMCSA, FHWA and NHTSA share a commitment to reducing the fatality rate in all motor vehicle crashes by 41 percent from 1996 to 2008.

- We do have good news, though, in the trucking sector regarding fatalities. In the last 5 years, we've seen a continued decline in fatalities.
- In fact, in 2002 the decrease was 4.2 percent — the largest decline we've seen in a decade. That was the only category of vehicle that saw decline that year. Cars stayed about the same; SUVs and light trucks actually went up; and motorcycles had a dramatic increase.

COLLABORATION WITH NITL

- We know that working together, we can further reduce large truck fatalities and crashes.
- And we know that shippers have a big stake in this effort. After all, safe trucking is essential to your productivity.
- We share the interests of safety in freight transportation as well as streamlining the freight transportation process. Therefore, we think it is vital to expand our relationships with shippers as well as motor carriers.
- I appreciate Secretary Mineta's call to action. We're eager to work with you to bolster all aspects of freight mobility.
- Just last week I attended the annual meeting of the Truckload Carriers Association. Their leaders expressed their intention to join NITL and FMCSA to address best practices.
- We're familiar with the Voluntary Guidelines that NITL and TCA drafted a few years go. I believe these provide a solid foundation for addressing and solving many of the concerns.
- Just a couple of weeks ago I met with NITL Highway Chair John Gentle and President John Ficker. I expressed our interest in updating that pamphlet and putting some new safety practices as well as security practices in there.
- We'd like to broadly distribute that information to your members as well as carriers and others.
- Our preliminary thoughts point to three focal points for discussion:
 - safe practices by shippers;
 - expediting movement of equipment at shipping facilities; and
 - maximizing safe and efficient services by carriers and drivers.

- We know that closing gaps in these areas would make it easier to work with carriers. It would remove delays, and improve coordination of product and carrier availability.
- Information and communication are key to this effort, and that's part of the reason we're here today. Working together, we can find creative solutions to some of the persistent problems. Obviously we have a lot work ahead of us to produce the most effective partnership possible.
- And we look forward to continue working with all of you to make that happen.

SAFETEA

- As the Secretary mentioned, SAFETEA is one of the primary pieces of legislation that we're hoping to move this year. He also explained the Administration's priorities for SAFETEA.
- So, I would like to highlight a few of FMCSA's proposals rolled up in that SAFETEA legislation that will likely be important to all of you.
- The visions that we have in SAFETEA promote: strong, targeted law enforcement; efficient data gathering; and effective use of new safety management systems.
- SAFETEA will also help us complete our administrative infrastructure as a new agency.
- For those of you who aren't aware, we've only been in existence for 4 years. Congress decided to peel us out of Federal Highways and give a specific focus on commercial motor vehicles.
- So we have some new challenges as a new agency, primarily:
 - The New Entrant program, focusing on 40,000 to 50,000 new entrants that come into interstate commerce each year;
 - The Southern Border, which continues to be a big challenge to us as a new agency; making sure that trucks are safe that are coming across that border;
 - As well as numerous other mandates that we have
- SAFETEA also will allow us to improve our tracking and reporting of motor carrier safety data.
- These provisions will keep FMSCA working toward its goals of improving truck safety. And, since safety in trucking means good business, SAFETEA's provisions will help you improve your bottom line.

- As you well know, we basically have a little over a month. So, we really need to get Congress to pass this key piece of legislation.

HOURS OF SERVICE RULE

- Secretary Mineta also mentioned the new Hours of Service rule.
- We know that changing a rule for the first time in 60 years is a challenge. It was a challenge when we released the Notice of Proposed Rulemaking in the year 2000. And the changes we suggested were so sweeping that we had a huge backlash from the community across the U.S.
- In fact, there were more than 53,000 comments probably the largest amount of comments the Department has ever received on a single rule.
- That told us something: that we needed to listen. And we tried to find some middle ground, still focusing on safety but making sure the changes we made didn't have a huge impact on the economics of the industry.
- One of things we knew we had to look at under the new HOS rule was that there needed to be change to a World War 2-era regulation that did very little to support their need for rest and restorative sleep.
- We didn't know what circadian rhythms were 60 years ago; we didn't have nearly the good equipment we have now; and certainly our roadway system didn't look the way they do now. So, we tried to take some of these things into consideration.
- The new rule improves drivers' opportunity to get that rest, so they can be alert and drive safely. It gives us the means to save hundreds of lives, protect billions in commerce, and safeguard our roads and highways for years to come.
- Basically the significant changes were, under the old rule a driver could work 15 hours, and they could break that 15 hours up by breaks. Typically, they did break that up when they were at shippers' places of business and they had to wait to load or unload their trucks.
- Under the new rule, they're no longer allowed to do that. They have a 14-hour consecutive clock. So, once the truckers start their day, that clock starts, and it doesn't stop for anything so they have 14 consecutive hours.
- Under the old rule, they were allowed to drive, in that 15-hour day, up to 10 hours. And, under the new rule, they are allowed to drive up to 11 hours.
- And for short-haul operations and short-haul we define as those drivers that come back to the same terminal every night they're allowed one 16-hour day to

accommodate any additional training or any other type of carrier activity they may do.

- The total hours in a work-week are the same, and a lot of the sleeper-berth provisions stayed the same.
- These safety improvements will save the American economy \$628 million a year.
- FMSCA began implementing the new rule on January 4 of this year, and we had an initial 60-day discretionary enforcement period to allow for some education and adjustment. Just a few weeks ago we shifted into full-bore enforcement, so the new HOS rules are now in full effect.
- At FMSCA we are sensitive to the various challenges these new rules present to shippers. Every new rule and regulation prompts a period of adjustment, and we're already helping to guide all involved through their compliance questions and concerns.
- We understand there remain a number of questions. In fact, we have a number of petitions before us we're looking at right now, and that will help us to determine next steps.
- We realize this directly impacts the way you run your docks and facilities. If you have questions or concerns, that's one of the reasons we're here.
- It's really interesting that when I approached John Ficker about seeing if we could for some kind of partnership with NITL, typically the shipping community is not an area that we've reached out to in FMCSA.
- However, this is a rule that has an impact on all of you, even though it's not one that we necessarily anticipated up front since we were focusing on the carriers.
- But we want to work with you and find a way to make our transportation infrastructure as efficient as it can be.

SAFESTAT

- At FMCSA we rely on many data systems to manage the safety information resources that we have at hand. These systems provide detailed safety and operational information on more than 750,000 motor carriers.
- One of these is a system that we call SafeStat. I know that many of you rely on it to research safety information.

- SafeStat is a vitally important tool that allows you to examine the performance trends of your existing and prospective carriers.
- While we're pleased to hear this system has been so valuable to you, I would like a chance to offer you some guidance on how to use SafeStat information properly.
- SafeStat is really a safety RANKING system, not a RATING system. Its purpose is to act as a "pointer" to help us identify high-risk motor carriers — in other words, which companies we need to examine more carefully.
- SafeStat is based on standardized safety information of crashes and citations. It does NOT reflect any specific examinations or audits of motor carriers.
- It provides our agency the foundation for who, in fact, we should visit and audit. The audit leads us to establish a safety RATING for a given carrier.
- So, while SafeStat is a valuable INDICATOR of a carrier's enforcement history, it is largely PRELIMINARY and PAINTS only a PARTIAL PICTURE of that carrier's overall compliance record.
- We're always working on improving the quality of this data. But I must point out that SafeStat information should be used as an INDICATOR, not an official safety RATING of a carrier.
- We nonetheless want you to continue to rely on SafeStat appropriately. Please be sure to read the DISCLAIMER page on the SafeStat Web site. It expands on the cautions I have just given you.
- As we look at ways to improve SafeStat, we at FMCSA believe that shippers can be instrumental in this process.
- One of our biggest challenges is collecting data, which we try to do very aggressively. Unfortunately, the results vary from coast to coast, and some States are more efficient than others.
- And having come from a State, I can tell you I understand that this is very difficult for a lot of States. But it's extremely important that all of you partner with your motor carrier agencies that are out there and advocate better data systems and better collection processes by the states that you reside in.
- It's only as we get better data in the system that we're going to have the whole picture of what really is going on with a particular carrier. And it's important that we have the whole picture, no matter what State a carrier resides in.

ITS INITIATIVES

- One other area that I would like to speak to you briefly in has to do with our ITS mission. I know there are some questions about how really improve the speed at which vehicles move across the border or other critical points.
- And I know for carriers, one of the tricky points has always been the number of weigh stations and the number of inspection points that they have as they're making cross-country trips. Clearly, the border is a whole different challenge.
- We have a program at FMCSA where we use intelligent transportation systems to help carriers to improve the speed at which they move through these various points.
- This initiative is called CVISN, which stands for Commercial Vehicle Information Systems and Networks.
- CVISN provides an overall technical framework for electronically collecting and exchanging motor carrier safety information and credentials.
- Most important, CVISN streamlines this information for expediting various roadside enforcement operations. It translates into faster processing of data; consolidation of operations; improved enforcement; improved motor carrier safety; improved compliance; and improved productivity.
- We currently have 31 states that are participating in three different versions of CVISN that are at various stages. We're hoping to get all 50 states online.
- And, just to let you know, we're also working with DHS and TSA specifically to look at components of CVISN that we already have in place that we can tie together with the border operations to make sure that there's a seamless transformation information network.
- There is a lot of infrastructure that we have already put in place at DOT to speed vehicles along through the system. And we think that the security measures that are being put in place at the borders, as well as the ports, are compatible.
- We just have to make sure that we build the systems together, not that we have to build them separate where carriers have to choose which way they're going to go.
- So, we're looking for additional opportunities in CVISN in the coming years. And we actually have about \$25 million a year in the SAFETEA proposal that the President has transmitted to Congress, specifically for CVISN initiatives.

CARGO SECUREMENT

- One other area is Cargo Securement. Looking beyond your information needs, we're finding there are a number of FMSCA initiatives that are primarily carrier issues. But they too have an impact on shippers.
- These are regulations and practices that affect your dock and yard operations.
- Sometimes, it's a rule that doesn't change the way you function. But having a better understanding of the demands placed on the motor carriers and drivers can help you to have an operation that's more efficient.
- A good example of this is the new Cargo Securement Regulations. These rules apply solely to the motor carrier.
- But they relieve the driver of responsibility for checking that a load is properly secured if the vehicle has been sealed by the shipper also, if it's loaded in a way that makes it impractical the driver to inspect the cargo.
- Obviously, YOUR personnel need better information from us. And when John met with us a couple of weeks ago, he asked that we do more outreach specifically in the area of Cargo Securement.
- We would like to make sure that we have an ongoing dialogue with you and your organization on rule that we're going to put out specifically when we put these rules out on carriers and we don't anticipate impacting shippers.
- But this is a good example of a rule that actually went beyond carriers and has had some impact on shippers.
- So, we think we can tell you when there's a rule we're putting out, we can foresee some of impacts they may have in the long term and work together with you.

HAZMAT SECURITY

- The same with HazMat security. I know that this may impact some of you.
- We've been working with RSPA, the fellow agency inside the DOT on some specific HazMat security. We look forward to working with all of you as some of those regulations change.
- We're also trying to make sure that the specific regulations we make are compatible with the regulations that are going to be required by the DHS, specifically as it relates to background checks for those that are involved in hazardous materials.

- So, we think there are a number of opportunities there.

INTERMODAL CHASSIS

- [Intermodal chassis] is another area where we can work with all of you to identify areas where we can work together to streamline the system.

CLOSING

- As the Secretary pointed out this morning, if we see a 50-percent increase in freight by the year 2020, our existing systems cannot handle that kind of capacity. So, we're going to need to look to every avenue that we can for increasing capacity and efficiency.
- We're going to work with groups like yours, where I see the potential bottlenecks as we work on the intermodal facilities, specifically, to move trucks in and out, whether it's from rail yards to shipping yards... We want to work together with you.
- It's a real honor for me to be here today and have an opportunity to address some of these departmental issues, specifically in the areas that impact the trucking industry. Thank you.